



MONTGOMERY COUNTY ETHICS COMMISSION

Steven Rosen
Chair

Kenita V. Barrow
Vice Chair

June 1, 2016

Advisory Opinion 16-05-009

A financial disclosure filer asked the Ethics Commission whether the filer was required to report real estate property owned by a Limited Liability Corporation (LLC) in section one of the financial disclosure report. The filer stated to the Commission that the filer owns five percent of an LLC while the filer's spouse owns ninety-five percent.

The Public Ethics Law at 19A-19(b)(1) and the financial disclosure report's online instructions provide that an employee must disclose each property held by a member of the filer's immediate family (defined in 19A-4(i) to include the employee's spouse). The law and the instructions also require a filer to disclose the holdings of a business entity in which the filer held a 30% or greater interest at any time during the reporting period. See 19A-19(b)(3). The issue is whether the provision for reporting interests of the filer's immediate family requires disclosure of interests of a business entity more than 30% owned by an immediate family member.

The Commission concludes that 19A-19 requires that the holdings of a business where more than 30% of the business is held by the family member are required to be disclosed in the same manner an employee's holdings would be required to be disclosed. The Commission believes the law was designed to require the disclosure of immediate family members' property and assets as though they were the filer's property and assets. Otherwise, property and assets could be titled in a spouse or dependent child's business entity with the effect of legally avoiding financial disclosure of the property and assets.

For the Commission:

Steven Rosen, Chair

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